

• NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

Producers 88 (4/76) Revised Paid Up  
With 640 Acres Pooling Provision

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 4th day of September, 2008, between Southern Star Concrete, Inc., a Delaware corporation, Lessor (whether one or more), whose address is 8500 Freeport Parkway, Suite 200, Irving, Texas 75063, and Dale Resources, L.L.C., 2100 Ross Avenue, Suite 1870, LB-9, Dallas, Texas 75201, Lessee, WITNESSETH:

1. Lessor in consideration of Ten and No/100-----Dollars (\$10.00), in hand paid, of the royalties herein provided, and of the agreements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and all other minerals, conducting exploration, geologic and geophysical surveys by seismograph, core test, gravity and magnetic methods, injecting gas, water and other fluids, and air into subsurface strata, laying pipe lines, building roads, tanks, power stations, telephone lines and other structures thereon and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto, to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land in Tarrant County, Texas, to wit:

4.063 acres of land, more or less, being portions of Lots 16 thru 27, inclusive, of the Sylvania Addition, 2<sup>nd</sup> filing, an addition to the City of Fort Worth, Tarrant County, Texas, and being more particularly described by metes and bounds in Tract G on Exhibit A-7, in that certain deed dated July 18, 2003, from Hanson Aggregates Central, Inc., a Texas Corporation, as Grantor, to Southern Star Concrete, Inc., a Delaware corporation, as Grantee, recorded in Instrument Number D203275195, of the Official Public Records of Tarrant County, Texas.

This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or surveys or in adjacent surveys, although not included within the boundaries of the land particularly described above.

2. This is a paid up lease and subject to the other provisions herein contained, this lease shall be for a term of **eighteen (18)** months from this date (called "primary term") and as long thereafter as oil, gas or other mineral is produced from said land or land with which said land is pooled hereunder.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipelines to which lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipeline oil; (b) to pay lessor for gas and casinghead gas produced from said land (1) when sold by lessee **one-fourth (1/4)** of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products **one-fourth (1/4)** of the amount realized from the sale of gasoline or other products extracted therefrom and **one-fourth (1/4)** of the amount realized from the sale of residue gas after deducting the amount used for plant fuel and/or compression; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited at the Lessor's address given above or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owners of this lease, severally as to acreage owned by each.

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms 'oil well' and 'gas well' shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, 'oil well' means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and 'gas well' means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term 'horizontal completion' means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

5. If at the expiration of the primary term, oil, gas, or other mineral is not being produced on said land, or from the land pooled therewith, but Lessee is then engaged in drilling or reworking operations thereon, or shall have completed a dry hole thereon within 60 days prior to the end of the primary term, the lease shall remain in force so long as operations on said well or for drilling or reworking of any additional well are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. If, after the expiration of the primary term of this lease and after oil, gas, or other mineral is produced from said land, or from land pooled therewith, the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within 60 days after the cessation of such production, but shall remain in force and effect so long as such operations are prosecuted with no cessation of more than 60 consecutive days, and if they result in the production of oil, gas, or other mineral, so long thereafter as oil, gas, or other mineral is produced from said land, or from land pooled therewith. Any pooled unit designated by Lessee in accordance with the terms hereof, may be dissolved by Lessee by instrument filed for record in the appropriate records of the county in which the leased premises are situated at any time after the completion of a dry hole or the cessation of production on said unit. In the event a well or wells producing oil or gas in paying quantities should be brought in on adjacent land and within 330 feet of and draining the leased premises, or land pooled therewith, Lessee agrees to drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

6. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two

hundred (200) feet of any residence or barn now on said land without Lessor's consent.

7. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished by registered U.S. mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

8. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. No obligation reasonably to develop the leased premises shall arise during the primary term. Should oil, gas or other mineral in paying quantities be discovered on said premises, then after the expiration of the primary term, Lessee shall develop the acreage retained hereunder as a reasonably prudent operator, but in discharging this obligation it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder and capable of producing oil in paying quantities and one well per 640 acres plus an acreage tolerance not to exceed 10% of 640 acres of the area retained hereunder and capable of producing gas or other mineral in paying quantities. If after the expiration of the primary term, Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

9. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in event Lessee does so, it shall be subrogated to such lien with right to enforce same and apply royalties accruing hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties, and other monies accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. Should any one or more of the parties named above as Lessors fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

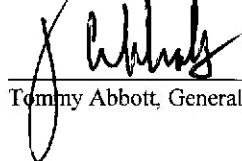
10. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations thereon or from producing any oil, gas or other minerals therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, and Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, and Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil or gas from the lease premises; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

## SEE EXHIBIT "A" ATTACHED HERETO, AND BY REFERENCE, MADE A PART HEREOF.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR:

Southern Star Concrete, Inc., a Delaware corporation

  
Tommy Abbott, General Manager

## ACKNOWLEDGMENTS

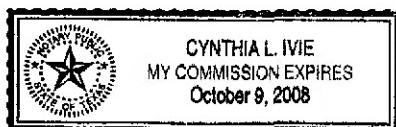
STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 4th day of September, 2008

by Tommy Abbott, as General Manager, of Southern Star Concrete, Inc., a Delaware corporation, on behalf of said corporation.



Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:



**Exhibit "A"**

Attached to and by reference made a part of that Certain Oil & Gas Lease dated Sept. 4, 2008, by and between Southern Star Concrete, Inc., a Delaware corporation, as Lessor and Dale Property Services, L.L.C., as Lessee.

1. This lease covers only oil, gas and other minerals produced in association therewith or incidental thereto and all other minerals are expressly reserved to the Lessor.

2. In no event will this Lease be maintained after the primary term by the payment of shut-in royalties for any period exceeding twenty-four (24) months.

3. This Oil, Gas, and Mineral Lease excludes Lessee or its successors and assigns, from the use or access to the surface of the leased premises. It is understood that this Oil, Gas, and Mineral Lease is only for the subsurface mineral estate and that this land may only be pooled or unitized with other adjacent land to form a drilling or pooled unit(s).

4. Notwithstanding anything contained herein to the contrary, it is understood as follows to wit: Lessee shall conduct no drilling, surface or pipeline operations whatsoever on Lessor's property.

5. THIS LEASE IS MADE WITHOUT WARRANTY OF TITLE BY LESSOR, AND LESSOR HEREBY EXPRESSLY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES OF TITLE WITH RESPECT TO THE LAND AND INTEREST LEASED BY LESSOR TO LESSEE UNDER THIS LEASE AND TO THE OIL, GAS AND OTHER MINERALS IN IT OR PRODUCED FROM IT.

6. Lessor reserves the right to use the leased premises for all purposes not inconsistent with the grant herein made. Lessee agrees to conduct its operations and locate its drill sites and other facilities and improvements so as to cause as little interference with Lessor's use of the remainder of the leased premises as is possible, consistent with the economical operation of the property for oil or gas. Lessee agrees to comply with all recorded matters, laws, ordinances, and governmental rules, regulations and orders relating to or affecting Lessee's operation on or with respect to the leased premises.

7. Without limitation upon any of the other provisions of this Lease, Lessee covenants and agrees as follows:

- a. Lessee shall conduct its seismic and other such surveys in a manner so as not to damage Lessor's water wells, tanks or reservoirs;
- b. Lessee shall not cause or permit hazardous substances to be brought upon, kept or used in or about the leased premises other than in accordance with all applicable laws;
- c. All labor and materials used in Lessee's operations shall be at Lessee's sole cost and expense, and Lessee shall save and protect Lessor and the leased premises from and against any liens of any character arising from Lessee's operations; and
- d. Lessee agrees to pay damages for the loss, diminution or depreciation of the beneficial use and/or market value of the leased premises, or part thereof, adversely affected by a breach by Lessee of any term of this Lease.

As used herein, the term "hazardous substances" means any pollutant, toxic substance, regulated substance, hazardous waste, hazardous material, hazardous substance, oil, hydrocarbon, asbestos or similar item as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Water Pollution Control Act, as amended, the Texas Water Code, as amended, the Texas Solid Waste and Disposal Act, as amended, or any other federal, state or local environmental or health and safety related, constitutional provisions, laws, regulations, ordinance, rule or bylaw, whether existing as of the date hereof, previously enforced or subsequently enacted.

8. The bonus consideration paid by Lessee to Lessor at the execution of this Lease is fully earned by Lessor and is not refundable in any event, notwithstanding Lessor's actual mineral interests in the leased premises.

9. In no event will an assignment of all or any portion of this Lease or any interest therein by Lessee to any party be effective unless and until the assignee executes an assignment and assumption agreement in a recordable form reasonably acceptable to Lessor whereby such assignee assumes the obligations under this Lease.

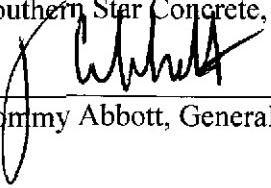
10. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, LESSEE COVENANTS AND AGREES THAT IT WILL NOT CONDUCT ANY SURFACE OPERATIONS OF ANY NATURE ON THE LEASED PREMISES. The provisions of this Section 10 shall in no way reduce or limit the consideration paid and payable by Lessee to Lessor under the Lease.

11. LESSEE AGREES TO INDEMNIFY AND HOLD LESSOR AND ITS AFFILIATES, OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS HARMLESS FROM AND AGAINST AND TO REIMBURSE SUCH INDEMNITEES WITH RESPECT TO, ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSS, DAMAGE, LIABILITIES, OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, FIXED OR CONTINGENT, ASSERTED AGAINST OR INCURRED BY LESSOR AT ANY TIME AND FROM TIME-TO-TIME BY REASON OR OR ARISING OUT OF LESSEE'S OPERATIONS AND ACTIVITIES UNDER THIS LEASE, INCLUDING, WITHOUT LIMITATION, LESSEE'S NEGLIGENCE OR INTENTIONAL MISCONDUCT, LESSEE'S BREACH OF ITS OBLIGATIONS OR COVENANTS UNDER THIS LEASE. The provisions of this section 11 shall survive the termination of the Lease.

12. In the event the terms and provisions of this Exhibit conflict with the terms and provisions of the Lease, the terms and provisions of this Exhibit shall prevail.

**LESSOR:**

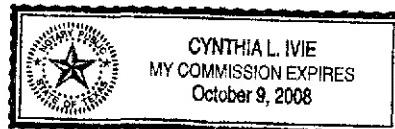
Southern Star Concrete, Inc., a Delaware corporation

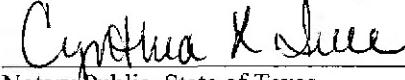
  
\_\_\_\_\_  
Tommy Abbott, General Manager

**ACKNOWLEDGMENTS**

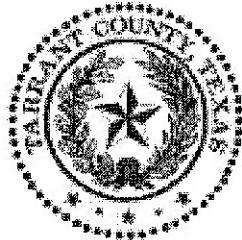
STATE OF TEXAS  
COUNTY OF TARRANT

This instrument was acknowledged before me on the 4th day of September, 2008,  
By Tommy Abbott, as General Manager, of Southern Star Concrete, Inc., a Delaware corporation, on behalf of said corporation.



  
\_\_\_\_\_  
Cynthia L. Ivie

Notary Public, State of Texas  
Notary's name (printed):  
Notary's commission expires:



DALE RESOURCES LLC  
2100 ROSS AVE STE 1870 LB-9

DALLAS TX 75201

Submitter: DALE RESOURCES LLC

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 09/11/2008 11:17 AM

Instrument #: D208354289

TSE

5 PGS

\$28.00

By: \_\_\_\_\_



**D208354289**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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